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December 10, 1976

Mr. George W. Blood, President
Fortement Association, Inc.
Hampton Plaza - Suite 1103
300 East Joppa Road
Towson, Maryland 21204

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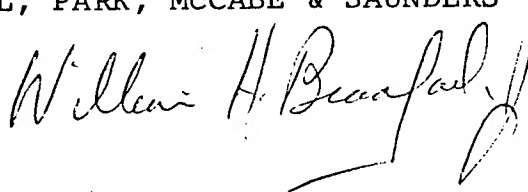
Dear Mr. Blood:

Please be advised that under the Tax Reform Act of 1976 (P.L. 94-455, October 4, 1976) amounts contributed by an employer to a prepaid group legal services plan and benefits received by an employee under a prepaid group legal services plan are excludible from the employee's income for taxable years after December 31, 1976 and ending before January 1, 1982. Contributions paid or accrued to a prepaid group legal services plan have always been deductible by the employer and the Tax Reform Act of 1976 does not change this rule. Such a plan must be a qualified plan within the meaning of Section 120 of the Internal Revenue Code, as amended, which among other requirements must not discriminate in favor of employees who are officers, shareholders, self-employed or highly compensated; not more than 25 percent of the amounts contributed during the year may be provided for individuals (including spouses and dependents) who own more than 5 percent of the stock or capital or profits interest; and must be paid to an insurance company, an organization providing personal legal services or indemnification against the cost of personal legal services, or to a Section 501(c)(20) organization or to another organization exempt from Federal income tax under Section 501(c) which pays or credits the contribution to a Section 501(c)(20) organization; or any combination of the above.

Very truly yours,

HAMEL, PARK, McCABE & SAUNDERS

By:



WHB:pb